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priority over all other charges except charges for the service of authorized loans including the loans and advances specified in section 121-A, and the expenses specified in sub-section (2) of section 41.'

"This is an analogous provision in the Local Boards Act and for the reasons I have stated in regard to the District Municipalities Act this amendment is proposed."

The hon. Diwan Bahadur Sir M. KRISHNAN NAYAR seconded the motion.

The motion was put and carried.

XVI.—DEMANDS FOR SUPPLEMENTARY GRANTS FOR 1930-31.

GRANT XXX—CIVIL WORKS—GRANTS-IN-AID—TRANSFERRED.

* The hon. Diwan Bahadur B. MUNISWAMI NAYUDU:—"Sir, on the recommendation of His Excellency the Governor, I beg to move

'*That the Government be granted a further sum not exceeding Rs.* 13,00,000 *under Grant XXX—Civil Works—Grants-in-aid—Transferred.*

"In moving this grant, Sir, I wish to state a few words. Hon. Members have got in their hands an explanatory note explaining the object of this grant. Sir, the Government of India have allotted a sum of 13 lakhs from the proceeds of petrol tax to this province to be spent on works which the Government of India have to approve of. That 13 lakhs has been distributed for various works on trunk roads shown as Part I in the note. Those works were already sanctioned in the budget estimate last March to be met from the general revenues of this province. The sanction of this Council is required for that allotment. At the same time the 13 lakhs which would be released is proposed to be given for other works of urgent nature many of which are already in progress and some of which are yet to be taken as new works. In the list of works shown as Part II in the memorandum, works already in execution and new works are given in detail. It is proposed, Sir, to allot these 13 lakhs for these works. They are works which are already recommended by the district boards and which the Government find necessary to go on with. I may also say that as the Council had to be held so late, Government have already asked the boards to go on with the works in anticipation of this Council's sanction. If such order had not been given, it will not be possible to spend the amount. I, therefore, move that these 13 lakhs be granted."

The hon. Diwan Bahadur Sir M. KRISHNAN NAYAR seconded the motion.

* Mr. A. B. SHETTY:—"Mr. President, Sir, I beg to move

That the allotment of Rs. 13 *lakhs for Civil Works—Grats-in-in-aid—Transferred be reduced by Rs.* 100.'

"My object is to point out the needs of South Kanara with regard to roads and bridges. Sir, South Kanara is a very neglected district. It is a district with very few railways. We have in South Kanara only

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a single railway line terminating in Mangalore. In places like that road traffic is very important. I believe, Sir, that here a provision is made to the extent of about Rs. 56,000 for overhauling the ghaut section of what is called the Mangalore-Mysore road. It has been urged by the district board as well as the people of South Kanara and the planters that as this road is the most important ghaut road in the district over which there is heavy traffic, it should be taken under the direct charge of Government and be maintained by the Public Works Department. When this question was raised in January this year in connexion with a supplementary grant for special repairs to this road the hon. Minister in reply said that the question of taking this road under the direct charge of Government would be considered when the proposals of the Road Development Committee were considered. Sir, we have not even a single Imperial road maintained by the Public Works Department in our district, while in the neighbouring district of Malabar there are three or four Imperial roads and several trunk roads. Our ghaut roads are the most neglected roads in South India. If Government, for any reasons, cannot take up this road under their direct charge at present, I trust they will at least consider the importance of putting the whole of this road in a state of thorough repair. The Superintending Engineer has observed that this road is bad throughout. The grant now proposed to be made is for overhauling only the ghaut section of this road but the non-ghaut portion of this road also requires improvement and estimates for this purpose have been prepared and sanctioned. I trust the hon. Minister will find it possible to make provision for this purpose in the coming budget.

12-15 p. m. "I may also draw the attention of the hon. Minister to the state of our second-class roads, which have suffered on account of the reduction of the usual grants. He will consider, I hope, the restoration of the original grant in view of the fact that we are having a very heavy monsoon on our coast, and there is also heavy bus traffic on our roads.

"I want also to bring to the notice of the hon. Minister that ours being a very hilly district having a number of rivers and streams coming down the Western Ghauts, the necessity for bridging these rivers is felt very much, especially when communications are cut off between several places during the monsoon time. Our district board is too poor to undertake a programme of bridge construction. The Government will therefore do well to pay serious attention to the necessity of bridging our rivers, especially in the matter of a bridge over the Kumardhari river near Uppinangadi, a demand for which had been made for a long time. This bridge is on a very important road connecting Mangalore with Mysore, and the estimate for this bridge has also been prepared and sanctioned, and a grant has been applied for. I hope the hon. Minister will pay special attention to the needs of our district in these matters and see his way to make provision for them in the coming budget."

* Diwan Bahadur M. Gopalaswami Mudaliyar:—"May I request you, Sir, to kindly allow me to draw the attention of the hon. Minister to the bad state of the second-class roads in my district, which being in

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the black cotton soil tract renders the problem of road maintenance a very difficult one? During the last four years, we were able to make good improvements in the roads in our district, especially the road from Bellary to Kurnool. As a matter of fact, this road has been completed but for the fact that a vanka has to be bridged, for which the plans and estimates are ready, and the work has to be taken up soon. I believe if that vanka is not bridged the road will not be of any use. In these circumstances, I wish to draw the attention of the hon. Minister in order to see that Bellary also is included among the districts requiring road development, so far as the bridge over Kotta vanka is concerned for which estimates have been prepared and allotment of funds awaited."

* Khan Bahadur Mahmud Schamnad Sahib Bahadur :—" I have great pleasure in supporting the motion of my hon. Friend, Mr. Shetty, and also in endorsing all that has been said about the neglected condition of the roads in South Kanara. One incident which I am going to mention now will be sufficient to show how much the roads in South Kanara have been neglected. For instance, between South Kanara and its neighbouring district of Malabar there is no road communication at all. There is no other part of the Presidency where there is want of inter-district roads, and this is the only part of the Presidency where there is no road communication between two neighbouring districts. To go from South Kanara to Malabar, we have to cross so many rivers and go by so many old and antiquated channels. The other frontier roads also are equally neglected. There are some roads such as the Charmadi Ghaut road for whose improvement there has been considerable agitation, and something has been proposed to be done but nothing has so far been done. Unless serious attention is paid to the improvement of these roads, it will be very difficult to maintain the communication between Mysore and Mangalore and the traffic in coffee and other hill produce will suffer. Again, the other road is between Coorg and South Kanara. This is not properly maintained. If these roads are taken up by the Public Works Department, we have no doubt that these will be properly kept. There has been much agitation and proposals have been made for taking over some of these roads by the Public Works Department, but the matter has been put off every time the proposal was made. I hope now at least some of these roads will be taken up by the Public Works Department, and the connecting road between Malabar and South Kanara which has already been begun but could not be proceeded with for want of funds will also be substantially helped by the Government, so that the road communication between South Kanara and Malabar may be completed. With these words, I support the motion."

* The hon. the President :—" There seems to be a tendency on the part of hon. Members to speak about matters parochial. I think there are two other motions of a similar nature, and I would therefore request Mr. Koti Reddi and Mr. V. I. Muniswami Pillai to move their amendments, so that there may be a general discussion on all the three amendments. Mr. Koti Reddi is not in his place, and so Mr. Muniswami Pillai will move his amendment."

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* Rao Sahib V. I. MUNISWAMI PILLAI:—" Mr. President, I move

'*That the allotment of Rs.* 13,00,000 *for Civil Works—Grants-in-aid—Transferred be reduced by Rs.* 100.'

" I wish to point out the unsatisfactory nature of the ghaut road to the Nilgiris.

" Sir, the unsatisfactory nature of the ghaut road to the Nilgiris has been a subject that came before this House several times by way of interpellations and discussions during the budget debate. I have again to bring this important matter to the notice of the Government and this House to show the great danger to which the Nilgiris is exposed at the time of the north-east monsoon and at times when weather conditions are abnormal. Sir, this year, due to the heavy rains, practically all the ghaut roads that are connecting the Nilgiris with the plains have been damaged and communications cut off. Especially the ghaut road and the railway line from Mettupalaiyam have been breached, and it is understood that the former will not be restored for traffic for another six or seven months, and temporary arrangements are being made to restore the ghaut road from Mettupalaiyam to Coonoor. As a temporary measure I think the road may be restored but I am afraid in heavy rains that road will again meet with the same fate. Sir, now there are three roads connecting the Nilgiris with the plains, namely, the Mettupalaiyam-Coonoor Ghaut road, the Mettupalaiyam-Kotagiri Ghaut road and the Gudalur-Ootacamund Ghaut road, of which the first two roads have been breached during the last heavy rains, and had it not been for the Gudalur-Ootacamund road the whole of the Nilgiris would have been reduced to a state of starvation. From the 26th October to 6th November last, practically there was no road connexion between Mettupalaiyam and Ootacamund, and had it not been for the timely precautions taken by the Chairman of the Ootacamund Municipal Council and the President of the Nilgiris District Board, I think the plight of the poorer classes would have been miserable. Sir, some time ago it was brought to the notice of the Government that as an alternative the Segur Ghaut road must be taken up so that at all times the Nilgiris can be safe. But I do not know what the Government has done in the matter, and I think the Government will give us some information as to that matter. Sir, the Government has thought it advisable to have Ootacamund as the seat of Government for several months in the year, and unless the important ghaut roads are kept in a state of perfect safety both for people as well as other traffic, I am afraid most people will leave the Nilgiris and resort to other places, thus inconveniencing the Nilgiris. There are a number of large plantations in the Nilgiris which raise coffee, tea and other products, and these plantations employ large numbers of coolies drawn from the plains, and at a time like this when the ghaut roads are breached, unless there is some way to bring provisions to these coolies, it will mean starvation for these people also. The Government have recently thought it advisable to improve the hydro-electric scheme at Pykara, and all the important materials required for this scheme are now taken to Mettupalaiyam and carried from there to Pykara. It is

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plain that a large amount of money is locked up in them, and owing to the unsatisfactory nature of the ghaut roads if these materials are to be held up either at Mettupalaiyam or in any other quarter such as Calicut or Mysore, I am afraid the good money that has been already invested will be getting no interest and that will be detrimental to the general public. Moreover, Sir, there is a proposal afoot for building a Town Hall at Ootacamund and for holding a few meetings of the Legislative Council there. So it is high time that Government rose up to the occasion and saw that some proper arrangement was made to have a satisfactory ghaut road connexion to the Nilgiris."

Mr. SAMI VENKATACHALAM CHETTI:—"Sir, I rise to intervene in this debate only to point out that the Madras Corporation has no place in this scheme of things. I take it that originally in the current year's budget we have Rs. 13 lakhs and odd for the purpose of certain roads. Now, it seems the Government of India are returning to us about the same sum owing to the allocation of the proceeds of the petrol tax. We propose to transfer all the works which were originally budgeted for to that fund and release the 13 lakhs which were originally intended for them to other works. If that is so, Sir, I am at a disadvantage, for the Government of India's orders in respect of the apportionment of this allotment are not before us. I do not know whether there are any instructions that this money ought not to go to the Corporation of Madras. I take it that in the contributions to the petrol tax, the city of Madras pays the largest amount. There is some justice in the Government of India saying that the allotments which the Provincial Governments will get will depend upon the tax which each Province contributes. But there is no justification at all in denying to the city of Madras any portion of this allotment, though it contributes so largely to the petrol tax. As it is, there appear to be no instructions or rules framed in the matter which prevent the Government from contributing to the roads of municipalities; because I find that one or two municipalities have been included in the list of works which are to be undertaken by the Government. The roads are by no means good in the city of Madras. It is not entirely due to the Corporation's fault. The traffic on the city roads has become so very heavy with the increase of motor and bus traffic, and especially when this traffic is due not only to the people in the city but also to people coming from the mufassal, it seems very desirable that the roads of the city of Madras should be better kept. The Government of Madras have to pay Rs. 20,000 for the maintenance of the Mount Road under some old arrangement, which amount does not cover more than one-fourth of the actual cost of maintenance. I would request the hon. the Chief Minister to see why the city of Madras should alone be excluded from getting what it is legitimately entitled to, like other municipalities and local bodies."

* Mr. F. E. JAMES:—"Mr. President, Sir, I think the hon. Member for the city of Madras has laid bare a considerable grievance when he referred to the Madras roads. I understand from my hon. Friend, Mr. Browning, that approximately one-eleventh of the total

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petrol tax collected from the Madras Presidency is collected from Madras itself. On the other hand, the hon. Member for Madras in another place has opposed any increase in local or municipal taxation when we proposed it. I do not think that the Madras Corporation has explored all its resources in regard to municipal taxation. I hope the Government will pay greater attention to the needs of the city of Madras.

"Now, Sir, I want to speak about three roads. In the first place I shall refer to the Charmadi Ghaut Road in South Kanara. I entirely 12-30 p.m. agree with my Friend, Mr. Schamnad, in his suggestion that the roads in South Kanara have in the past been neglected. I am afraid that that district suffers very badly on account of its geographical position. But at any rate, in this matter of the Charmadi Ghaut Road there is no doubt that the Government has come generously to the assistance of the District Board, and I trust that when provision is made in the next budget for the balance of money required for the completion of the work on this road, the House will have no hesitation in accepting it. In this connexion I should like to pay publicly a tribute to the District Board of South Kanara and in particular to Mr. Heggade, its President, for the public spirited way in which they have been dealing with the matter, and for the way in which they have gone forward in connexion with the repairs to this ghaut road trusting that this Council would supply the necessary finance.

"The second road I wish to speak about is the Kotagiri Ghaut Road in the Nilgiris. Members of the House will remember that from time to time some of us have urged on the Government the need for making this road a trunk road. I do not wish to go over the reasons which have been urged from time to time, but there is a certain irony of justice in the situation to-day. One of the reasons we urged was that the Mettupalaiyam-Coonoor-Ootacamund trunk road was liable to suffer from floods and obstruction in heavy rains and that therefore the other road would be obliged to bear the great strain of heavy traffic. That has happened to-day and I suggest to the consideration of the Chief Minister that this matter should be taken up very earnestly immediately. The amount that is spent upon the Kotagiri-Mettupalaiyam road is not sufficient to keep that road in that state of repair which is so essential to this important line of communication.

"The third road I wish to refer to is the trunk road connecting Madura with the neighbouring State of Travancore. I find in the grant of 13 lakhs which is moved to-day, provision for work on this road. I heard from some of my constituents to-day that some parts of this road which have been repaired are already showing signs of wear. I wish to point out to the Government that they are handing back this road to the District Board of which my hon. Friend, Mr. Foulkes, is the President. Sir, although I am sure that the District Board manages its affairs very well, the maintenance of this line of communication is totally beyond its financial resources or that of any district board for that matter. I therefore suggest to the hon. Minister's consideration once more the possibility of Government taking over this road. The

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Travancore Government has had the foresight to take over the section of this road in Travancore as a trunk road. My own constituents and a large number of Indian traders constitute a large body of persons who use this road and they desire that it should be treated as a trunk road. I therefore suggest that this matter be considered by the hon. the Minister as early as possible. As a matter of ordinary economy, instead of allowing the money already spent to go to waste, I suggest that the road should be taken over as a trunk road and then maintained with that amount of maintenance which is necessary for a road bearing so much traffic.

"There is only one other thing I wish to say and that is to bring to the notice of the hon. Minister as I have done to his predecessor though without success, now that he has taken charge of this department, the need for reviewing the whole question of roads in this Presidency and the constitution and functions of the Road Board. The Punjab Government have shown to the Madras Government and other Provincial Governments a very good example in the matter of the constitution and functions of the Road Board. I think every one will admit that this is an important question. It seems to me that a Road Board should be constituted consisting partly of district representatives and partly of experts with definite powers in connexion with grants which the Government might make from time to time, and having supervisory powers over such roads as main arterial roads. I do not know whether the hon. Minister has yet had time to look into the question of trunk roads; but I am absolutely convinced (and I have a great body of expert opinion on my side) that nothing satisfactory will ever be done in regard to the roads over which the local bodies have control until that control is vested in a statutory body consisting not merely of district representatives but also of experts, with power to deal with the question of repairs, maintenance and classification of roads and the provision of grants therefor. I therefore commend these matters to the attention of the hon. Minister and I trust that he will show as much zeal in the matter as he showed when he was sitting on this side of the House in connexion with the development of village roads."

* Diwan Bahadur R. N. AROGYASWAMI MUDALIYAR:—"Mr. President, in the speech of His Excellency the Governor we learnt that there is considerable deficit in the revenues of this province. Government do not seem to know exactly how much the deficit will amount to by the end of the financial year, but in view of the fact that there is going to be deficit and that the revenue is going down very much, I am rather surprised at the Government coming before this House, to rush expenditure so to say, in virtue of the fact that the Government of India have placed at their disposal a sum of thirteen lakhs. In consequence of the above grant the Madras Government also anticipate some savings. But the question is, should you allot those savings for further new works at a time like this? We have so far heard from

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the Government the effect of the recent floods in Tanjore and Trichinopoly and the fall in the revenues of the province. In view of all this and in view of the uncertainty of the finances in the future, we want to know from the Government how they propose to meet the deficit. I should have expected that any savings that could be found would have been reserved for future contingencies so that the Government could be in a position to see how to allot the savings to meet the necessary expenditure that could not be covered on account of the deficit. Let us take now the list supplied to us about bridge work. I will only give one instance, viz., the case of bridges in the South Arcot district. I find that the Government are at the present moment going to take up a set of rather expensive bridges. They are going to bridge fully the road between Villupuram and Trichinopoly. On this road I know that there is practically no traffic as all traffic follows another road. Further, in view of the fact that the Villupuram-Trichinopoly chord line has been constructed by the South Indian Railway, what little traffic there was on this road, is now borne by this chord line and therefore there is no necessity for these expensive bridges on this road. I can quite well understand the needs of some of the districts for improvement of their road communication, but I ask is this the time that the Government should fritter away their resources on works that can well afford to wait? Surely, Sir, these bridge works have been waiting for years and years. They can wait for some time more. They need not be taken up at this time of financial stringency. Why not wait; why not see what your deficits are going to be, husband your resources and then provide for works which could not be postponed? For these reasons I feel I cannot support this demand. I hope that Government will, in consideration of these facts, reconsider the matter."

* Mr. J. A. DAVIS :—" Sir, in connexion with the contribution of Rs. 13,00,000 to be made for certain new road works and the reference to the three roads on the Nilgiri district, I would represent that as regards the Mettupalaiyam-Ootacamund road, though it is one of the best roads, yet in consideration of its being the main road to Ootacamund, the summer seat of Madras Government, and the fact, judging from toll revenue, that motor traffic has increased by five-fold during the past five years, it needs widening and improvement. It is a matter for disappointment that the Public Works Department has not opened this road to through traffic after the recent flood damages. Those in a position to judge are of the opinion that the road could have been set right for through traffic ten days ago, and the prevalance of high prices in the district avoided.

12-45 p.m. " Then as regards the Mettupalaiyam-Kotagiri road, I am not in agreement with Rao Sahib Muniswami Pillai that this should be made a second trunk road at Government cost and the Segur road a third trunk road. As I have already stated, the toll revenue of the Nilgiri district has increased by five-fold and with the liberal grant that Government made for this road and the last flood experiences, one might have reasonably expected this road to be in the necessary order to serve as

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an alternative route just now. The Government ought to require the Nilgiri District Board to put this road in that order that the present traffic and toll income demands.

"As regards the Segur road an excellent re-alignment was prepared by the late District Board Engineer, Mr. Leonard, and though the Government approved of this, yet the district board turned it down. As this will be a most valuable trunk road, and will be most helpful in cases when the railway breaks down, in that rice and grain can then be carted into Ootacamund over a much shorter distance than over the Ootacamund-Gudalur road, I trust that the hon. the Chief Minister will see that the proposal is given effect to, even if the district board has to take a loan for the purpose since the increased advantages and toll revenue will justify the board doing so."

* Mr. U. C. Subrahmanya Bhatt :—"I have great pleasure in supporting the motion of Mr. A. B. Shetty. In this connexion I should like to draw the attention of hon. Members of this House and that of the Government to the peculiar condition in which South Kanara is placed. South Kanara, as one of the previous speakers observed, has been very badly placed by Providence geographically. It is a very poor district by itself. Not only that, it has been placed very close to the ghats and on the borders of Mysore. Two or three districts of Mysore which are situated on the borders of South Kanara are districts which produce raw products like coffee and other things which are to be exported to Europe. Unfortunately for South Kanara, Mangalore is the principal port through which all these raw products are exported, and consequently they have to pass through only two or three roads in South Kanara. Hon. Members will. . ."

The hon. the President :—"Order, order, the hon. Member will kindly address the Chair."

* Mr. U. C. Subrahmanya Bhatt :—"Sir, the next point that I wish to urge is that South Kanara is one of the districts where you have got the heaviest rainfall in this Presidency. It is common knowledge that, if there is a rainfall of 30 inches or 40 inches, it is absolutely impossible for the people of any district to expect any harvest of their crops and people generally cry out 'Oh, there has been very heavy rainfall.' Compared with this there is five or six times more rainfall in South Kanara, and I request this House to imagine what the condition of that district would be. Not only that, on account of the heavy rains it is rather very difficult to maintain the roads, and on account of the poor condition of the district board, it finds it very difficult to maintain these roads in proper condition. Thirdly it is a district with very little communication because railway communication stops at Mangalore and the rest of the district rests solely upon road communication. For every five or six miles there are a number of rivers, so much so it is impossible to go some 20 or 30 miles without crossing five or six rivers; and as such these rivers have to be bridged. Taking all these things into consideration South Kanara has been very poorly served in the distribution of these 13 lakhs of rupees. I wish to draw the attention of the

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House and that of the Government to this important fact and I hope and trust that at least in future a bigger share will be allotted to the district of South Kanara."

* Rao Bahadur C. S. RATNASABHAPATI MUDALIYAR:—"I do not think that I can associate myself with the observations made by my hon. Friend, Mr. Arogyaswami Mudaliyar. He said that on account of the financial stringency through which the Government are passing at present they cannot afford to spend such a huge sum as Rs. 13 lakhs. I must say that these reductions in the revenues were not expected at the time when the Government promised these sums to local bodies. The reduction in revenues was known only in the course of the last three months. If at this stage we are told that, on account of the financial stringency, this grant should be disallowed, I am afraid the local bodies will be placed in a very bad predicament. So, Sir, I very heartily support the motion, and in doing so, I wish to make a few more observations on one or two items of works in the two lists attached to Government notes.

"In the first list huge sums are provided for causeways such as the Chitravathi and Cheyyar causeways. Sir, with regard to the erection of causeways, I have great doubts whether these causeways would really serve their purpose at the time of floods. Causeways are good and quite alright if they are small ones. But I think to spend such large sums on these causeways would be a waste. Government would do well to revise their policy in giving grants for big causeways. Instead of spending this sum of 68 thousands on one causeway, if they only could spend double or triple of that in erecting a bridge, that would be money well spent. So far with regard to the first list.

"With regard to List II, Part II, there are several items for which huge sums have been allotted. I particularly mention the Chingleput District Board against which you have got Rs. 1,25,000 for experiments in road-surfacing. Particulars are not given as to how many miles of road are going to be experimented and what is the estimate for the same. They simply say that the money is for the purpose of making experiments in road-surfacing. I take it that these experiments are done on trunk roads. If so, it is not clear from the explanatory note as to how many miles of trunk roads they are going to experiment upon. I think the expenditure must be something like Rs. 10,000 per mile. I do not know whether it would be a good policy for the Government to spend such huge sums for a few miles and that too as an experiment. There is also the further question as to how long these tarred roads will last. When Government have made big grants for these roads, I cannot understand why they should repeat making maintenance grants for these very portions. If they do so, the result will be that other district boards will be very much handicapped. If greater details could be furnished with regard to this allotment of Rs. 1,25,000 for the Chingleput District Board, I would be much obliged. With regard to grants to other district boards, the mileages at which any particular culvert or work is proposed to be constructed are given. We do not know on what roads these culverts coming under Chingleput District Board are to be built. We do

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not also know whether the present culverts do not serve the purpose and why such a large sum of Rs. 78,000 should be spent on widening culverts. When other district boards are crying for money, if I am permitted to say so, why should one district board alone be basking in the sunshine of official favouritism.

"Coming to the Nilgiris to which my hon. Friend Mr. James referred—with regard to Mettupalaiyam-Kotagiri road—it is important not only from the point of view of the district alone, but it is also important from the point of view of a common sanatorium for the Presidency. I cannot agree with Mr. Davis that the District Board of Nilgiris should meet the entire cost of maintaining this road. It is not at all fair that the District Board of Nilgiris should maintain a road at a heavy cost when it is important to the general public of the Presidency. I would very much wish that the Public Works Department takes over that road under their control and improves it. I now see that under Nilgiris district five or six items are put up for grant. I would like necessary amount of money being spent upon Mettupalaiyam-Kotagiri road in preference to other items under the Nilgiris district.

"Coming to the grant to municipalities, only two municipalities are put up here for grants being made to them. I know some other municipalities also have applied for grants to build culverts or for other capital works. I cannot understand why the claims of only two municipalities have been met while others not. I would very much like that the Government take a more liberal view with regard to applications from the other municipalities as well."

* Mr. M. S. Sreshta:—"I am sorry that I have to inflict a fourth speech on this House on the needs of South Kanara. There is a strong feeling in our district that it does not receive an equitable share of the funds for roads and public facilities. It might be the old principle of out of sight, out of mind. South Kanara is situated in a corner of this Presidency, and, as my hon. Friend Mr. Bhat pointed out, it does not receive that notice which it ought to receive, not only in the matter of roads but in other matters as well. I do not want to weary the House with a long speech. But I only wish to say that it is desirable to prepare a statement showing how much has been spent on South Kanara roads and how much on roads in other districts. I am not jealous of Malabar. We are all proud to be so near such a flourishing district. But I think that it will be seen that much more is spent on Malabar than on South Kanara, one reason perhaps being that the cost of roads in South Kanara being much higher than in Malabar, every Engineer or other official who wants to do something for South Kanara is deterred by the initial cost. As you know, South Kanara is one of the most important districts in this Presidency so far as agriculture is concerned. I do not believe that there is any other district which produces more paddy than South Kanara. It is therefore in the interests of the whole Presidency that South Kanara should receive adequate attention in the matter of roads and other communications. I trust that the hon. the Chief Minister will be pleased to have a statement prepared showing the respective

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allotments made to the various districts during the past few years. If such a statement is prepared, it will be possible for Government to make in future a more equitable distribution of the public funds and remove the cause for the feeling in South Kanara that it is treated worse than other districts."

1 p.m. * Mr. T. S. Ramaswami Ayyar:—" Mr. President, Sir, in opposing the grant I desire to point out that the allotment that has been made to various districts is not equitable. As pointed out by the hon. Member for Madras, Madras has been badly treated and Madras which pays the heaviest petrol tax has not been given any grant.

" As regards the Presidency in general, I desire that more attention should be paid to village roads. For, after all, when any question of village reconstruction arises, it is the village road that is going to play an important part. Is it the view of the Government that, because it is the allocation of the petrol tax that is being made, the principal trunk roads should alone deserve attention? But we have already allotted money for trunk roads. And now it is really the allotment of general funds for road construction. I wish the hon. Minister had paid greater attention to the improvement of village roads instead of confining the grant to the trunk roads alone. I am sure that the trunk roads will always demand the attention of the hon. Members here who are most of them motorists. But in the case of village roads, it is difficult to get complaints and I think the House should pay greater attention to the construction of village roads.

" As regards the districts, I find that a few districts have been given grants and not others. Much sympathy has been evinced for the districts of Tanjore and Trichinopoly that have recently been affected by floods, but when I went through the whole list, I found that Tanjore was conspicuous by its absence. As regards Trichinopoly, I find two small items, one being the restoration of a flood bank and another the construction of a culvert. As these two districts are delta areas and are often inundated, I desire that the Government should pay greater attention to the trunk roads and village roads in those districts. My hon. Friend Mr. Arogyaswami Mudaliyar pointed out that the trunk road now goes from Villupuram to Trichinopoly via Tanjore. One sequel of the present diversion of traffic is that the eastern delta in the Tanjore district needs greater attention. The bridge that used to span the Coleroon river was washed away years ago and no new bridge has been constructed. If the railway bridge gives trouble at any time, then it will be difficult to get access from the South Arcot district to the Tanjore district. I draw attention to these points just for the purpose of showing that fair distribution of the funds has not been made. When the provincial contributions were remitted, the money that was saved could have been better utilized by the husbanding of all the resources and by preparing a detailed plan. That was not done. We are confronted with the need for additional taxation. Similarly, when we got this money for roads as a windfall, I find that a well-planned scheme has not been drawn up for execution."

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* Mr. A. RANGANATHA MUDALIYAR :—" Sir, I am sorry I have to be a little parochial. I have gone through the list with some care to trace out some principle which has guided the Government in the allocation of these grants and I regret to say that I am not able to find any definite principle regarding this matter. Sir, you will see in the list of works (Parts I and II) that column 3 gives the total estimated cost. Column 4 gives you an idea of the total commitment for grant. With regard to some local bodies, I find that the proportion is cent per cent; with regard to others, it is four-fifths or three-fourths. A poor district like Nellore, which I fear, has partially suffered by your election to the Chair, gets only half. Again other districts like Bellary, Cuddapah, get only half. I think the principle should be that, where the local bodies are poor and cannot afford to defray in any adequate manner the cost of these works, the Government should be more liberal. That principle is wanting with regard to this matter. I hope the hon. Minister would give his attention to this point.

" The second point to which I wish to invite the attention of the House is this; the grant made by the Government of India is more or less unconditional. Sub-clause (*e*) says that the unspent balance of the assignment made in a particular year will be carried forward to the subsequent year for expenditure. I wish to know from the hon. Minister whether he is prepared to extend the same concession to the local bodies. I may venture to say in advance that it is next to impossible for the local bodies to utilize even a moiety of the grant before the end of the current year. If these works should be carried out properly, I think the Government should make it plain that, if these works are not carried out within the year, the local bodies can draw the balance of this amount next year. Otherwise the works will be rushed and they will prove unsatisfactory and the ryot will not get the value of the money that is spent."

Mr. R. MADANAGOPAL NAYUDU :—" Sir, I wish to say a few words like the previous speaker, which may be parochial. As for the statement made by him that there has not been an even distribution of this grant, I think it is explained by the fact that a portion of this amount has already been sanctioned by the Legislative Council. Therefore I do not think there is much force in saying that the distribution has been unequal.

" As far as the city is concerned, my hon. Friend, Mr. Sami Venkatachalam Chetti, has pointed out that it has been badly treated. The roads in the city of Madras are in a very bad condition. Apart from the nuisance of bad roads, we have got a large number of level-crossings which are responsible for much delay. If you want to get over the difficulty of level-crossings, over-bridges are the only remedies. When you take up the question of over-bridges, the question of finance comes in. There is lot of difficulty in the Corporation financing the construction of these over-bridges. The Corporation is asked to bear a share of the expenses of constructing over-bridges. It is therefore but meet and proper that, when we get more money from the Imperial Government, a definite portion of it should be ear-marked for the city of Madras

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in order to keep the roads in a better condition and fit for easy locomotion especially for motor cars. The amount of petrol tax paid by the city bears a large proportion to that paid by the whole Presidency. Therefore it is that I urge upon the attention of the hon. Minister that, when he comes in with the budget for the next year, he should pay special attention to the needs of the city of Madras and see that an equitable share of the tax received from the Imperial Government is allotted to the city."

* Mr. C. R. PARTHASARATHI AYYANGAR:—" Sir, from a reference to the explanatory memorandum I find that Chittoor gets a very small share of the allotment and that too for trunk roads. A sum of Rs. 28,000 is allotted for the construction of a bridge on the Chittoor-Kurnool trunk road and of another bridge on the Madras-Bombay trunk road. This allotment is very poor when we consider the fact that these trunk roads will have to be maintained at any cost.

" In the Chittoor district there are very urgent works to be attended to; there are a large number of rivers which are in floods very often and over which culverts have to be constructed. People now find it very difficult to ford these rivers during floods. The hon. the Chief Minister, being himself a native of this district, knows fully well that the river Ponnai near Sholinghur is not fordable for several days in the year. What should be done is to have a causeway constructed over that river so that it will be possible to ford the river easily. There is another river which is also in floods during a great portion of the year and which is not easily fordable. I regret very much that these rivers have not been provided with causeways. It is well known that the Cheyyar river in the North Arcot district is flooded by a few showers of rain. It is one of those rivers which requires the construction of a causeway over it so that people may easily cross it during floods. Similarly there is the Wenlock causeway at Arcot which has to be attended to and to which chains have to be fixed because there are no lamps during nights.

" I would request the attention of the hon. Minister to areas which are under the jurisdiction of municipalities. It is well known that a large number of roads in Chittoor are included in the municipal area for toll-gate purposes. The number of such roads is very great and the area covered is five or six miles. I find from the memorandum that only a few municipalities such as Villupuram, Cuddalore and Saidapet, get a portion of the allotment. As the hon. Minister himself is personally aware of the needs of the Chittoor district, I think that he will do something for the District Board of Chittoor."

1-15 p.m. * Rao Bahadur C. NATESA MUDALIYAR:—" Mr. President, Sir, as to the observations made by the hon. Mr. James, I do not think that there is any connexion between the raising of taxation by local bodies and their getting contributions from the Government. Am I to understand that all the municipalities and district boards that are getting the contribution from the Government have exhausted all sources of taxation? The Corporation is really trying its best to tap

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all sources of taxation, and properties in the city are at present overtaxed. Even if we raise taxation from other sources, we have got education, sanitation, water-supply, etc., to attend to; we cannot afford to spend all our money on roads. It is not the city alone that uses the Madras roads, but it is the whole Presidency. In fact, there are at present two or three trunk roads which require the immediate attention of the Government. My friend, Mr. Sami Venkatachalam Chettiyar, said that the Government pay Rs. 40,000 towards the maintenance of trunk roads. No. The Government gives Rs. 20,000 only; the Corporation receives Rs. 20,000 with one hand for repairing the trunk roads and we give away with the other Rs. 20,000 to the Government as our contribution for the General Hospital. Once we refused to pay any contribution towards the maintenance of the General Hospital; and the Government—just like common people quarrelling with each other—rather as a sowcar demanded the pound of flesh and refused to pay us that amount under another head, that is, the maintenance of trunk roads. Therefore we had necessarily to submit to their proposals. That is the condition of Madras. Therefore, I wish the hon. the Minister reconsiders the matter and gives us that which is our due which will be, I think, about one-tenth of the whole amount. (An hon. Member: 'One-eleventh'.) Yes, but one-tenth is much better than one-eleventh.

"Then, Sir, my friend, Mr. Ratnasabhapati Mudaliyar, said that Rs. 1,25,000 for the Chingleput district is too much. Of course, the district is under the sunshine, but the sunshine is almost always cloudy, Sir. Within 25 miles from the city, in the trunk road leading to Nellore, there are ups and downs and in the rainy season, there is knee-deep or hip-deep water in these downs so that we cannot cross them in our motor cars and carts do so with difficulty. That is the condition of some of the Chingleput district roads. Here the culverts are a necessity and, then, what about the bridges in the village roads? There is a stream called Aranyanathi where the village people cannot cross the stream while in floods from one bank to the other for days. There are also no roads in many places between one village and another. The straight distance between one village and another may be only half a mile, but it is to be reached by a rugged road of two miles. The village is in sight, but it cannot be approached easily. That is the condition of the Chingleput district, Sir, and so this Rs. 1,25,000 is nothing. I think at least Rs. 2 or Rs. 3 lakhs would meet its requirements and two lakhs more is a necessity for the city."

* Mr. T. NARASA REDDI:—"Mr. President, let me not be called parochial in my views when I say that our districts alone should receive greater grants for the maintenance of roads. Sir, I think I will be in order if I refer to the grievances of the Ceded districts where many roads are in a very bad condition. I think all the Ministers, Executive Councillors and others who pass by those roads do recognize the roads of Cuddapah and the other Ceded districts as

backward; but yet, not a bit has been done all these ten years of the non-official regime in these district boards. The roads remain now as backward as they ever were. God alone knows when the name 'backward' will be changed into 'forward' in respect of all these four districts. Sir, there are a large number of roads to be repaired, a large number of culverts to be built in these four districts. These four districts are very poor, as hon. Members are already aware. And yet the grants allotted to these districts are very poor, so much so that the roads there have been completely neglected. The fair name 'road' cannot be given to any of these roads, but they are all so many furrows which can be made into so many fields with the aid of a plough; they cannot be called roads, but they are lands in which you can sow any seed. Therefore, Sir, to improve these roads, I request the hon. the Chief Minister to pay greater attention to the roads of these four districts which are 'backward.' In the statement in Part II of the book placed before me, I find there is only a provision of Rs. 27,000 made for the Cuddapah district, of which the total commitment is Rs. 13,845 and only Rs. 12,184 is to be now spent—a very poor amount. Sir, I do not know if the hon. the Chief Minister can do anything now in this matter, but I request him to keep at least in the sweet recesses of his soft heart the claims of the 'backward' Cuddapah district."

* The hon. Diwan Bahadur B. Muniswami Nayudu:—"Sir, I thank all the various Members who intervened in this debate for their opinions or views on this matter and I wish to make a few general observations which apply equally to all the districts in regard to the various grants that have been made. So far as this grant of Rs. 13 lakhs is concerned, it is an assignment by the Government of India out of the amounts collected by way of petrol tax, made to this Province. The principles under which the Government of India make that assignment to the provinces are laid down by that Government and the provinces are expected to conform in the expenditure of the amounts allotted, to those principles. In the printed memorandum that has been supplied to hon. Members, the principles on which the assignment is made are clearly stated in paragraph 2:

'The assignment from the Central Road Development Account is subject to the following conditions :'

"The main condition is contained in clause (*c*) thereof:

'works to be financed from the assignment will have to be approved by the Government of India on the advice of the Standing Committee and its Finance Sub-Committee.'

"So that the question as to on what works this amount can be spent does not depend entirely upon this House or upon this Government, but upon the estimates submitted by this Government and approved by the Government of India and its Finance Sub-Committee. The understanding is that for a period of five years this arrangement should be in operation and that the Provincial Governments would get the assignments during the period. The principle is that this amount should be spent on works of a capital nature and not on the

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mere maintenance of trunk roads or of other roads of similar importance. Therefore, all arguments and remarks based on the utilization of this amount for the maintenance of roads either in the city or in the Nilgiris or elsewhere are not material so far as the disposal of this amount is concerned. It has been stated, Sir, on page 3 of the memorandum as to what the works are in regard to which the amount of Rs. 13 lakhs is to be spent. The Government of India have accepted these works, and therefore the various amounts specified against them are due to those various works.

"Mr. Arogyaswami Mudaliyar stated: 'What hurry is there in the present state of financial stringency to expend Rs. 13 lakhs on these works?' I may state at once that one of the conditions under which the Government of India granted this Rs. 13 lakhs from the Petrol Fund is that we should utilize the amount for works approved by them and also that we should not, to that extent, reduce our own expenditure from Provincial finances. That was the understanding come to at a conference at which Mr. Hilton Brown was also present. Therefore it is our duty to allot this Rs. 13 lakhs for works which are ready for execution and which have been approved by the Government of India. In this connexion, I also want to say one word. Perhaps many of the hon. Members here are not aware of the principles under which, under the Financial Rules now obtaining, grants are made for capital works. If the works are capital works on trunk roads, then the whole expenditure is met from Provincial revenues; if they are capital works on second-class roads, then half the expenditure is met from Provincial revenues and the other half by district boards; while if they are on other roads, there is no question of any grant. That is the reason why in the distribution of these amounts, hon. Members will find that in some cases full grants have been made, while in others only half grants have been made.

"Mr. Ranganatha Mudaliyar pointed out that there is no principle in the distribution. As I said already, the principle is that whole grant is given only in cases of expenditure on trunk roads while half grants are given for second-class roads. Then again, another objection taken with regard to the distribution of the amounts is that it is not fair to all the districts—that certain districts get more while others get less—and there was a charge of favouritism in regard to the Chingleput district. I may state this for the information of the House. All the district boards and municipal councils are required before a certain date every year—I believe it is the 1st September—to send proposals for capital works which will be undertaken and are likely to be completed within the next year and to state in respect of which of them estimates are ready and which of them would be taken up for execution. The Government received before the budget was passed last year a large number of estimates of that sort from the various district boards and municipal councils. All of them could not be included in the budget because the necessary amount was not available. Many of them therefore had to be left out for inclusion in the next year's budget, and on account of the grant of this Rs. 13

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lakhs by the Government of India, an equal amount has now been liberated which it is proposed to spend for such works left over. It is for this reason, Sir, that we find that certain district boards get more while others get less. It is for the district boards and the municipal councils on whom the responsibility lies to be alert and submit proposals before the prescribed date. I am sure, Sir, that hereafter the district boards and municipal councils will apply for grants in time and that there will be nothing in the way of the Government giving them the most careful and immediate attention.

"Then, Sir, certain observations were made in regard to certain roads which are really as important as trunk roads, but which are not classed as such. Similarly, there are certain roads which though they are classed as trunk roads are not of much importance—for instance the one pointed out by my friend Mr. Arogyaswami Mudaliyar. I may say that steps are already being taken by the Government—and district boards and municipalities have been circularized—to lay down the principles on which all these roads may be reclassified according to their importance and the amount of traffic carried on on these roads. That question is under the consideration of the Government and as soon as replies are received from the various boards and municipal councils, the Government will finally decide on the matter and make a reclassification of these roads. My friend said that in the meanwhile we need not spend this money on these roads. But we are spending the amount on them because though they may not be of trunk road importance, yet they are important roads, and culverts and small bridges are necessary to keep the roads in good condition.

1-30 p.m. "Then, Sir, my hon. Friend Mr. James referred to the question of the road board and also to the constitution and functions of the board as it exists now in Madras. He also referred to the working of the road board in the Punjab and said that the whole board in Madras has to be reconstituted and that its functions should be so arranged that it may serve the purpose for which it was constituted. I am entirely in agreement with him on the matter and the Government will consider the matter as early as possible.

"Now, Sir, various members have brought to notice specific instances with regard to the various districts and I believe South Kanara figured most in these discussions. I certainly do not admit any of the allegations made by hon. Members in regard to the inadequacy of the amount allotted to that district, for, having regard to the amount spent on various districts the proportion spent on South Kanara is certainly not less. According to lists of works in the Explanatory Memorandum, of this 13 lakhs grant, Nilgiris gets 3 lakhs and South Kanara comes next with more than a lakh, so that they cannot really complain that that amount is small. Reference has also been made about the Charmadi Ghaut road being taken over as a trunk road. It has already been taken as a trunk road and provision has also been made for this year as well as the next year to the extent we can spend money on this road.

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" Then Mr. Ranganatha Mudaliyar remarked that it was not wise to allot money so hastily as the whole amount allotted could not be spent. It was thought that, if the amounts were allotted at a late stage of the year the whole amount could not be spent, and so the Government took care to inform the district boards and municipalities in advance that they may go on with the works, subject to the sanction of this Council. I expect that the amounts that have been allotted will be fully spent.

" The hon. Member for the University, Mr. Ramaswami Ayyar, referred to the importance of village roads. It is one of my hobbies and I am sure that village roads will receive as much attention of the Government as other roads in this matter."

* The hon. the PRESIDENT:—" Order, order, if the hon. Minister is likely to take up some more time, he may continue his speech after lunch."

* The hon. Diwan Bahadur B. MUNISWAMI NAYUDU:—" I have got only one more point. With regard to the allotment of grants, I may say that the Madras Corporation is not precluded from enjoying their share of the grant, but according to the principles laid down by the Government of India, it should be for works of a capital nature and sanctioned by the Government of India. If the Madras Corporation will come forward with proposals of sufficient importance which cannot be financed from their own funds and require the help of Government, I am sure those proposals will receive their consideration. There are also various other proposals made for individual roads. I may say that their cases will be considered as far as possible. I have nothing more to add than that the grant that I have moved is for the purpose of getting on with the works which are ripe and for which the district boards and municipal councils and taluk boards have already asked for funds."

The hon. the PRESIDENT:—" The question is—

' That the allotment of Rs. 13,00,000 *for Civil Works—Grants-in-aid—Transferred be reduced by Rs.* 100.' "

The motion was negatived.

The following amendment of Rao Sahib V. I. Muniswami Pillai was by leave withdrawn:—

' To reduce the allotment of Rs. 13,00,000 *for Civil Works—Grants-in-aid—Transferred by Rs.* 100.'

The hon. the PRESIDENT:—" The question is—

' That Government be granted a further sum not exceeding Rs. EA,ZZ,ZZZ *under Grant XXX—Civil Works—Grants-in-aid—Transferred '."*

The demand was carried and the grant was made.

The House then adjourned for lunch at 1-35 p.m.

After Lunch (2-30 p.m.).

GRANT XXXVII—LOANS AND ADVANCES BY THE PROVINCIAL GOVERNMENT—RESERVED.

* The hon. Mr. P. T. RAJAN :—" Mr. President, Sir, with your permission, I move that:

'*On the recommendation of His Excellency the Governor, the Government be granted a further sum not exceeding Rs.* 100.'

" This token demand provides for the grant of a loan to the Central Land Mortgage Bank for financing primary land mortgage banks. Mr. President, in October 1929, Government sanctioned the establishment of a Central Land Mortgage Bank in Madras to float debentures on the assets transferred to it by the primary land mortgage banks and to finance the latter with the proceeds of such debentures. The Government have undertaken to guarantee interest not exceeding 6 per cent for a period of 25 years on the debentures issued by the Central Land Mortgage Bank during the first five years up to a limit of 50 lakhs. The President of the Bank pointed out certain difficulties in the working of the bank. Before the debentures are issued the bank must have in its possession mortgages of the assets assigned to it by the primary land mortgage banks. The primary banks will transfer their assets only after the Central Bank advances the loan. The capital of the bank at present is one lakh of rupees and it is not sufficient for the purpose of financing the primary banks. The debentures can be issued only twice or thrice a year. The President of the Bank has pointed out that there must be some fund at the disposal of the bank in order to finance the primary banks and that the amount advanced from that fund would be replaced into it from the proceeds of the sale of debentures. He has also stated that the recent Government of India loan and the Mysore loan have affected seriously the prospects of the Central Mortgage Bank and that the bank will take some time to place itself in a more favourable condition. It is in order to tide over the present position, the President of the Bank has requested Government for a loan of 5 lakhs which would be repaid to Government from the proceeds of the sale of the debentures issued by the bank. The Registrar of Co-operative Societies supports the proposal, but as he says that one lakh is sufficient for the time being, the Government propose to grant a loan not exceeding one lakh every quarter at 6 per cent interest and allow the bank to repay the amount from the proceeds of the sale of debentures. One of the conditions of the grant of this loan is that the bank will not be indebted to the Government for more than a lakh of rupees at any period. As the matter was an urgent one it could not be placed before the Finance Committee. I may state that the necessary funds can be found from the savings that have already occurred and those which might accrue in course of time. With these remarks, I commend this motion to the acceptance of the House."

The hon. Diwan Bahadur S. KUMARASWAMI REDDIYAR :—" I second the motion."

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* The hon. the PRESIDENT:—"Mr. Muniswami Pillai's amendment * is not in order, because it does not relate to the question under discussion. The main motion is therefore for the discussion of the House."

* Rao Bahadur T. A. RAMALINGA CHETTIYAR:—"Mr. President, Sir, I am very sorry that I have to oppose this motion. Sir, I was one of those who from the very beginning have been pressing for the establishment of this bank and I was one of those also who was consulted at every stage of the matter before the bank was actually established. I was also one of those who made recommendations to the Government for giving facilities for the bank for raising money. I stand by every one of them. I oppose the present motion as much in the interests of the bank itself as in view of the principles, the Government should follow in such matters, and I am constrained to raise my voice of protest in this matter.

"Sir, this bank we all expect is going to be a big institution financing the ryots of this presidency to get out of their debts and will probably be doing work with resources amounting to several crores of rupees. It was with that idea that we wanted the Government to give certain facilities by way of guarantee of interest and also by registering the bank under the Co-operative Societies Act, so that by being registered under the Act, it will be exempted from the Indian Income-tax Act and also get other facilities like exemption from the registration fees and also the stamp fees. But, at the present moment, what is sought to be done is this: the bank is to be made altogether dependent upon the Government; for every small amount of money that is required it has to come up to Government and ask money to be advanced to it, that is, the Government will have to be the banker for this company and they are to give an overdraft to that bank to the extent of a lakh of rupees when we are thinking of the possibilities of this bank dealing in crores very soon. Well, what sort of prestige and name such a bank situated under these circumstances will command in the market, I need not say. It will also be demoralizing for an institution like this, with its possibilities and with a management which ought to undertake very wide financial responsibilities, if it should come up, for such a small amount as this, to the Government and say that the Government should be 'our bankers and should give us an overdraft of a lakh of rupees and should enable us to tide over small difficulties, such as the want of a few thousands now and then.' I think, allowing overdrafts like this is most demoralizing to the bank itself as well as to the Government. I do not think it is a very enviable position to place ourselves in. The Government will naturally be charged hereafter, if anything goes wrong, so that the Government would be responsible for what it has done. What we want is a sort of sturdy independence and we want the Government,

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* Rao Sahib V. I. MUNISWAMI PILLAI:—

	RS.
To reduce the token grant of Rs. 100 for loan to the Cental Land Mortgage Bank by	1

(to point out the need for placing the Primary Land Mortgage Banks on territorial basis and not on communal basis.)

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as representing the people, to give facilities in a recognized manner and not to constitute themselves as regular bankers by advancing money to this bank for its every day requirements at every turn like this.

"Well, Sir, the result of this sort of arrangement will only be that if, for instance, there is to be a deficit in its accounts and if it is not able to pay the staff, it will have to come to Government and ask for a loan and probably the next day, it may ask for the loan being written off. That is not certainly the sort of arrangement that we should contemplate in regard to this bank. Sir, a big bank started like this ought to be in a position to find funds to the tune of a lakh of rupees by other means, for instance, by getting accommodation in the ordinary way like other banks. There are other such banks in this Presidency which are able to get on without Government help, and they are able to get their shares floated. The hon. the Minister was telling us that the share capital of this bank amounts to a lakh of rupees. What is there in the way of its floating shares for another lakh of rupees? For a big bank like this, shares to the value of 2 lakhs is not very much and nobody will say that it is overcapitalized or anything like that. So, Sir, it seems to me that a sort of spoon-feeding is asked for by one side and is sought to be given by the other side. I can only say that is not the sort of way by which an institution like this should be fostered and put on its legs. So, it is with that view that I am opposing this motion. I am opposing this both on a matter of principle that the Government cannot undertake the business of bankers and allow overdrafts to the extent of a lakh of rupees for the purpose and secondly I oppose it in the interests of the bank itself. For, I do not think that it should be made dependent on the Government. It should not give up all its ideas of independence, of its ability to stand on its own legs and should not at every turn ask for the help of Government for small purposes. It is on these two grounds that I oppose the motion.

"I may also say, Sir, that for a committee of management of this bank, of well-known people in the Presidency, it should not be difficult for them to find accommodation to the extent of a lakh of rupees. As I said before, if the worst comes to the worst, they can float shares for an additional lakh of rupees and thus tide over the difficulty. That would not be either against the interests of the bank or of the Government.

"Then, it was stated that the floating of the Government of India loan and other loans have affected the prospects of the bank seriously. In what way, I cannot see. The Imperial Bank is giving on its deposits interest at 4½ per cent. We, who are working in the co-operative field, give only 5 per cent, but still we are able to command deposits. Now, Sir, this bank is a big provincial co-operative institution and I do not know how they could find any difficulty in getting money to the tune of a lakh of rupees.

2-45 p.m. "This seems to me, Sir, to be a most unacceptable sort of thing. So, Sir, from the point of view of business I do not think they are doing very good business in a matter like this. When they are in need of

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money, they come to Government and so whether they are willing or not they will have to accept every direction of the department expressed and unexpressed with reference to their management if they are to be supplied with funds. I do not think any business institution should put itself in that position. Sir, I have been working in this movement for the last four years and more, and it is a matter of great pain to me to see the direction in which the present proposal leads and therefore I feel that I would not be justified in allowing this motion to be passed without protest.''

* Mr. A. RANGANATHA MUDALIYAR:—'' Mr. President, Sir, I was waiting to know from the hon. Member who preceded me whether he was going to suggest that this advance was not given on proper security, or how it would injuriously affect the work of the co-operative movement. I do not think he said a word regarding the adequacy or otherwise of the security. The theory of spoon-feeding comes rather late in the day. All of us know that the co-operative movement was started with any amount of spoon-feeding. And he would be a bold man who will deny that but for that spoon-feeding the co-operative movement would not be what it is to-day. There is nothing bad with regard to spoon-feeding, so long as it is done wisely and well. So, I say that the Government are right in so far as they agree to advance a certain amount to set the business going. I rather feel that Government have not done sufficiently well in limiting the advance to only one lakh. They should be prepared to give at least two lakhs. I think there is an anomaly in the explanatory note. The Government are guaranteeing the bank 6 per cent interest up to a limit of 50 lakhs of rupees. And what is it that the Government now propose to do? They say, they would advance not more than one lakh for every quarter, and yet Rs. 50 lakhs are expected to be disbursed within a period of five years. In other words five lakhs a quarter are expected to be disbursed. This is bound to have a relation to the advances granted by the Government from time to time. If the advance to the extent of 50 lakhs is limited to one lakh per quarter, the loan disbursed is likely to be about the same and the Government's guarantee of interest up to 50 lakhs at 6 per cent to the bank becomes meaningless. Again, suppose in one quarter you give the bank one lakh and that is not paid, then in the second quarter nothing will be paid to the bank. But suppose the amount you pay the bank is spent and the advance is repaid long before the quarter is over, yet you will not pay them anything until the next quarter comes. So I say that you need not fix any limit to the amount that may be advanced in any quarter. And I also say to the hon. the Minister to raise the one lakh to two lakhs so that business may be done more expeditiously.''

* Mr. S. V. RAMAMURTI:—'' Mr. President, Sir, the hon. Member from Coimbatore has told us that he was one of the gentlemen who helped in framing a scheme for the Central Land Mortgage Bank. Actual experience has however shown that the scheme has certain difficulties. One of these relates to the provision of initial capital. The debentures that are taken by the public are not issued until they are based on mortgages. The bank cannot, therefore, issue debentures till it receives

mortgages from the ryots. The ryots do not mortgage their land until they are paid. So it is necessary to find an amount to advance money to the ryots in order to take mortgages, issue debentures thereon and receive money from the public. There are two ways in which this difficulty is met in other countries. In Denmark and Germany they first take the mortgage bond and the bond is sold in the open market. In other countries, namely, in Norway, Sweden, Belgium and Holland, they first get money either from the State or from the public by the sale of bonds and then give the money to the ryots. We have followed in this instance a mid-way course. In giving help to the bank the Government have followed the recommendations of the Townsend Committee as well as of the Registrar of Co-operative Societies. In other countries where there are such banks Government helps them. In Denmark the State has given 20 million kronen as guaranteed capital to the Land Mortgage Bank and in Sweden 30 million. In Norway the Land Mortgage Bank has received from the State 27 million kronen as paid-up capital. It is not proposed to advance such large sums here. (A voice: 'Why?') Because it is not necessary here. All that is required here is only just the amount that is necessary to enable the bank to tide over the period from the payment of money to the ryots in return for mortgages until the receipt of money from the public on the issue of debentures. It is true that the bank has asked for five lakhs at a time. But the Registrar has proposed to give only one lakh in the present condition of the market. At the time the bank was started it was expected that the debentures might be issued to the extent of 50 lakhs in five years. The hon. Member from Bellary has, therefore, suggested that one lakh for every quarter is not sufficient. But let me point out to him that conditions have changed since last year. People do not buy debentures to the extent that was expected. (A voice: 'How do you know that?') The banks are the best judge as to whether people are willing to purchase debentures. (A voice: 'Perhaps it is due to the want of confidence on the part of the people in the bank.') No, it is not that. The reason is that the Government of India have borrowed at 6 per cent. The Government of India loan is guaranteed as regards both interest and capital and is a fluid security. As regards the debentures of the Land Mortgage Bank only interest at 6 per cent is guaranteed by Government. Its principal is not guaranteed. They are not now trustee securities although we hope that in a few months with the sanction of the Government of India they will also become fluid securities, and then the debentures will have greater attraction to the investing public. Hence the Government although accepting the need for funds do not consider that at the present time five lakhs each quarter are necessary and therefore have agreed to give only one lakh. But if it is found in actual experience that the amount is not enough, Government will no doubt be willing to consider an enhancement.

"As regards the payment of money only once a quarter, I may mention that the bank does not expect to issue debentures within less than 3 months after it paid the ryots, for it takes some time to go through the formalities like the drawing up of the mortgage deed, the

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issue of debentures and so forth. That is the reason why the President of the bank has asked for an advance each quarter. If it is found actually that the bank can issue its debentures within less than three months, then the Government will no doubt consider the making of due adjustments.

"The hon. Member from Bellary has answered the hon. Member from Coimbatore as to the need for the Government helping the Land Mortgage Bank. I have already referred to some countries where Government have assisted such banks. It is in Holland and Belgium that the Land Mortgage Banks are not assisted by the Government, for their land mortgage activity is of long standing. In this country as in others co-operative activity is semi-philanthropic. Men who will give their time and ability at market rates go to joint-stock banks. It is men who wish to help others who come forward to help co-operative banks. Government in co-operation with such men should render all help that is necessary to such banks."

* Rao Bahadur C. S. Ratnasabhapati Mudaliyar:—"Mr. President, standing on this side of the House I am sorry I have to oppose this motion. Considered either on its merits or on principle I am afraid the hon. Member is not justified in moving this motion to advance a lakh of rupees to the Land Mortgage Bank. I am not at all for converting Government into a banking concern. It is only this morning His Excellency the Governor told us that the loans to be advanced to local bodies have to be cut out very much on account of the reduction in the amount of loan which will be advanced to this Government by the Government of India. Under the circumstances I do not think Government should now take another line of advancing loans.

"If the people are unwilling to offer money to the Land Mortgage 3 p.m. Bank, there must be something more than the present market conditions. I do not know, Sir, if the bank has advertised sufficiently in the dailies of this Presidency in regard to the raising of these debentures. If only they had done so, I am sure they would have got subscribers in overwhelming numbers. Some of the local bodies are now investing their surplus funds at 4 per cent and $3\frac{1}{2}$ per cent in the Imperial Bank. Six per cent is quite a good rate of interest and I am sure if only they had addressed some of the local bodies they could have got not one lakh but even ten lakhs at 6 per cent. For these reasons, I oppose this motion."

* Mr. Sami Venkatachalam Chetti:—"Mr. President, Sir, I should think the House is obliged to Mr. Ramamurti for the very lucid statement he made on behalf of the Government in support of this motion. But the information he has given us convinces us of the sanity of the opposition led by my hon. Friend from Coimbatore, Mr. Ramalinga Chettiyar. That is because we do not see in all that lucid statement made by Mr. Ramamurti any indication of the bank having seriously taken steps to float debentures and failed. It is no doubt true in one sense

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that people are naturally more inclined to invest their money in Government securities than in Land Mortgage Banks and their debentures. But at the same time Mr. Ramamurti cannot forget the state of finances in this country, namely, that there is more unlendable money to-day than there was at any time before. People are not trusting several hitherto reputed institutions. There is not much trade to finance. Therefore they are anxious to be assured of some place where they could deposit their money and feel quite safe over it. Certainly Land Mortgage Banks with the guarantee of interest from the Local Government should be in a very strong position to instil confidence in the investing public and others. One unfortunate thing is that the bank directors are somewhat too indifferent. They think that they have a milch cow in the Government and that whenever there is need they could tap it to the full. And the Government in a spirit of philanthropy in support of the co-operative movement think that they would be doing a great service to the country by at least listening to the voice of these bank managers and going to their support in dribblets. I can understand the Government anxious to support a motion like this and Government going the whole hog and saying to these banks, 'Look here, we are with you; we shall give you all you want'. But that is not the state of affairs here. They say, 'If you want five lakhs, we shall give you one lakh; if you want one lakh, we shall give you Rs. 25,000'. When this one lakh is invested on certain lands and that becomes unpayable, then the whole business of the bank would come to a standstill. That will be an additional reason why the public might feel shy about the land mortgage banks, that is, to invest money in any debentures that may be started by the bank. Let us see if the bank's venture of launching debentures succeeds. If it is not a complete success, then let the Government buy these debentures as any other investor does and thus aid the co-operative movement by making the world have confidence in these debentures."

* Mr. M. A. Muthiah Chettiyar:—"Mr. President, Sir, before the motion is put to the House, I should like to answer the hon. Member for Madras, Mr. Sami Venkatachalam Chetti, who said that the directors had not taken steps to enlist subscribers to the debentures floated by the Land Mortgage Bank. I am one of those connected with the formation of the Land Mortgage Bank and I was a director for some time; I know the difficulties and handicaps experienced by the bank in enlisting subscribers to the debentures. I was on the board when it decided to issue debentures. The response was indeed very poor, and the reason is quite obvious. That reason is that the debentures do not carry with them Government guarantee. Unless Government guarantee is there, I do not think people will be induced to divert their funds towards these debentures. At the request of the Chairman of the bank I approached a number of insurance companies and some Indian banks. The first question put to me was whether the debentures carried with them Government guarantee, both as regards the amount of debenture and

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interest thereon. I told them that they did not carry with them Government guarantee even for interest. In such circumstances they would not even look at the proposal. I hope the bank would be able to attract investors when Government guarantee is given. But for the present it has to carry on its work and money is required for it. I agree with the hon. Member for Bellary in thinking that not one but two lakhs should be given to this bank as a loan as suggested by the hon. the Minister for Public Works."

* Diwan Bahadur M. GOPALASWAMI MUDALIYAR:—" Mr. President, Sir, I am sorry I have also to oppose this motion, because I believe from my experience of the District Board of Bellary for several years that investors will come forward if the place of investment is strong. I have been trying for several years to find the places where district board funds could be invested at a higher rate of interest and, as a matter of fact, we have not been able to find proper sources. We have been able to invest the funds in sources which are liable to be objected to. So far as this Land Mortgage Bank and its debentures are concerned, we had absolutely no idea at all, and we do not know to whom they sent notices, how they canvassed, where and when they advertised, etc. As has been already pointed out, I think the spoon-feeding should be stopped as speedily as possible. For these reasons, I oppose this motion."

Mr. G. SIMHACHALAM PANTULU:—" Mr. President, Sir, as one connected with the co-operative movement, I know that, however energetic the directors of the society may be, it is impossible at the present day to attract investors by issuing debentures. From my experience of such matters in our district, I may say that it took two full years to attract persons to invest in co-operative societies. They have not realized the significance of this movement and the help rendered by the Government in this direction. I quite agree with Mr. Ramamurti when he said that people have not yet realized the advantage of this movement. They are not coming forward, because they have not realized the importance of these institutions. I therefore strongly suggest that the Government must come to our rescue at this time and that this House should sanction this loan."

* The hon. Mr. P. T. RAJAN:—" Mr. President, Sir, the hon. Member from Coimbatore, Mr. Ratnasabhapati Mudaliyar, suggested that the Government should not be a bank, as far as the Central Land Mortgage Bank is concerned. As a matter of fact, the Government is only giving a lending hand, but they are not going to give this help permanently.

" The second remark made against the bank is that they have not advertised sufficiently. I am afraid there is a misconception about it. As a matter of fact, the Central Land Mortgage Bank did advertise a good deal, but for the reason that the Government of India and other Governments have come out with their loan schemes and have offered better security not only as regards interest but also as regards capital, the bank's debentures have not been welcomed by the public for the

time being. As has been pointed out by some of the speakers, the work being done by the department is not understood well by the public. It will take some time for it to be appreciated. In the meantime, instead of refusing any help and closing down the bank, the Government just proposes to help the bank for the time being as a temporary measure. In dealing with the bank, the various suggestions and remarks made by hon. Members will be taken into consideration. With these words, I hope the House will accept the motion."

The demand was put and carried and the grant made.

* The hon. Diwan Bahadur B. MUNISWAMI NAYUDU :—" Sir, I move for a token grant—

'*for a further sum not exceeding Rs.* 100 *under Grant XXXVII —Loans and Advances by the Provincial Government—Reserved.*'

" Sir, the reasons for this demand have been explained in the memorandum distributed to hon. Members. There are a number of suits filed against the Hindu Religious Endowments Board by the archakas, in which they claim that the lands which really belong to the temples and the deities are theirs. They have questioned the schemes settled by the Hindu Religious Endowments Board, and there are as many as 246 suits now pending in the districts of Guntur, Kistna, West and East Godavari and Vizagapatam. All these cases are now pending for a long time and a large amount of money is required for the purpose of defending these suits. I may state, Sir, that in one suit for applying for various copies of the sanads, deeds, etc., they have had to spend two thousand rupees. And in a number of suits pending, a large number of copies has to be applied for and a large amount of money has to be spent. Further, a number of witnesses have to be examined on commission. I understand that in one case about a hundred witnesses were examined on the plaintiff's side, and the Board has now to lead its evidence. For all these purposes, large expenditure of money is necessary, and the Board requested the Government to give a loan of Rs. 50,000 to meet it. I may state that so far as the finances of the Board are concerned, it is under a severe handicap. In the first instance, the provisions of the Act, as it now stands, do not give the Board the power to recover the contributions due to it quickly and speedily. It has to go like any ordinary suitor with an application before the Court, and it is not able to collect them, even after such applications.

" Secondly, in these various suits and applications and contests, it is not possible to enforce collections as speedily and quickly as possible. I may only state this that from the report of the Religious Endowments Board and the figures therein we find that the collections were much more satisfactory in 1928–29 than in the previous year. They collected about Rs. 1,99,000 or so, and they spent Rs. 1,90,000 of which about Rs. 22,000 represent the law charges they had incurred. They had also borrowed Rs. 24,000 last year and have repaid it. In these circumstances,

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their application is being considered with a view to enable them to go through these suits and to finance them. I am therefore moving for a demand of Rs. 100 to obtain the consent of the House to provide the funds required by the Religious Endowments Board."

The hon. Mr. P. T. RAJAN seconded the motion.

* The hon. the PRESIDENT:—" The amendment[a] of Mr. Shetty deals with the whole policy of the Government in its relation to the Hindu Religious Endowments Board. So it is inadmissible. The main question is now before the House."

* Mr. A. B. SHETTY:—" Mr. President, Sir, if the House votes for this token demand, the Government propose to give a loan of Rs. 50,000 to the Hindu Religious Endowments Board for defending suits that have been filed against it. I wish to know why the Government propose to give this money as a loan when they know that the Board is not in a position to repay the loans advanced to it. The loans granted to the Board between the years 1925 and 1927 amounting to Rs. 3 lakhs and odd are still due from the Board. The Board has made a request to the Government to write off this amount, and this request is said to be still pending with the Government. In the explanatory note it is admitted that the finances of the Board are still in a precarious condition owing to the non-effectiveness of the present powers of the Board with regard to the collection of its dues. And further it says that the question whether provision could be made for their collection as arrears of land revenue is separately under consideration. I believe, Sir, this matter has been under consideration for a very long time. I wish to know what decision the Government have come to in this matter.

" It has often been urged that the Board should be provincialized and the expenditure of the Board should be met from provincial funds. The advantage of provincializing the Board has been pointed out again and again in the report of the Religious Endowments Board. The Board has no adequate staff either at its central office or in the mufassal to do the legitimate work of the Board and much of the time of the staff is taken in collecting the contributions which are in arrears. The Board is not in a position to do any auditing in the case of temples and maths except in special cases where there has been gross mismanagement or misapplication of trust funds. The temple committees are also being hampered in their work on account of insufficient funds at their disposal. Several of them have not been able to repay the loans taken from the Endowments Board. They have no staff to exercise supervision over the management of temples under their control and they are not in a position 3-5 p.m.

	RS.
[a] Mr. A. B. SHETTY :—	
XXXVII. To reduce the token demand of Rs. 100 for loans and advances by the Provincial Government—Reserved—by	10
(To discuss the policy of Government in relation to the Hindu Religious Endowments Board.)	

to bear the auditing charges of these temples. What they at present do is to run an office and appoint trustees and nothing more.

"The legitimate work of the Board, I think, should be to regularize and improve the administration of temples and maths under their control. For this purpose proper supervision and auditing are quite necessary. Sir, the Endowments Act has been hailed as one of the most beneficient pieces of legislation. The late Raja of Panagal and his party claim credit for placing this Act on the Statute Book and justly too. It is a great pity that the laudable intentions of this Act have not been carried out in any large measure owing to financial difficulties. I hope, Sir, that the present Chief Minister who was one of the most trusted lieutenants of the late Raja will see that the Board is put in a position to carry out the purposes for which this Act was intended by getting for it the necessary financial aid from provincial funds or at least by enabling it to collect its dues like arrears of land revenue."

* Mr. C. R. Parthasarathi Ayyangar:—"Sir, it appears to me that merely because the Endowments Board has not been able to pay it is no excuse why the hon. Minister should not try to meet the situation. The whole trouble arises merely because some of the ancient *archakas* are in possession of these lands and they are not giving them up. That means to say that they consider them as their private lands and they can deal with them as they liked. That is a position which certainly ought not to be allowed if the Endowments Board is to have any lease of life. The object of the Board is to checkmate the idea that the properties attached to these institutions are the private properties of the *archakas* and to see that the proceeds go to the benefit of the temple. It is therefore absolutely necessary that a high tone of morality should be kept up and these institutions must be made once more living entities. It is for that purpose and not for any other that I second this motion. It is not clear why the Government are not anxious to support and help the Board with the records at their disposal. I find that people are going about to gather information. I know people have been deputed to gather information. They come and request the people in the district to give information. Why, I ask, should the Collectors not place at their disposal the records and grants that are in their custody? There is no use of merely allocating this grant unless the Chief Minister is able to induce the other Members of the Cabinet to give instructions to the Collectors and other responsible officers of the district to co-operate with the Religious Endowments Board and help them with records and evidence. There is no use of merely giving a grant for the purpose which will be merely frittered away and it will not be possible to collect concentrated evidence on this point. For instance, the Inam Deputy Collector's enquiry, inam grants and a number of other documents in the Collector's office ought to be placed at the disposal of the Board without the Government or the Collector charging for it—at least access should be given. Without that sort of co-operation there is no good in the Endowments Board trying to fight out the issues as the funds may be frittered away in any way. Therefore

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I would request the Minister in charge of the endowments to induce the Reserved Half to issue instructions to the subordinate staff, especially the Collectors, to give all the necessary aid that lies in their power for the purpose of enabling them to have the ancient documents which will show conclusively the nature of the grants made. The difficulty in respect of cases, I know personally, is in proving the nature of the original grants. Therefore, the inam records will give the necessary help and, if the Government were to take a sympathetic attitude by making such documents available, much of the money that is utilized for the purpose can be utilized for better purposes. We want a drastic change which will make the Board a real and living force. I will ask the Minister to infuse his life force and to see that the Board is made a living entity by inducing the Reserved Half to help the Board in all possible ways. Are not Christian institutions treated with tender mercies? Have not Hindus who contribute the majority a right to demand that their religious life should be based on a sound and virile basis? It is only this groping feeling that expresses itself through the Hindu Religious Endowments Board. I hope the Minister will give proper expression to that feeling in the length and breadth of the land in order to make the Board a real living factor and not a mere formality that it at present is."

* Rao Bahadur C. S. RATNASABHAPATI MUDALIYAR :—" In supporting this motion I wish to say a few words. I understand that there are two hundred suits which have to be defended by the Board. It seems that the issues involved in most of them are more or less common. If one succeeds, all will succeed. If one fails, others will fail. So I cannot understand why such a huge sum as fifty thousand rupees is essential. As the suits are more or less of the same type, one could be tried as a test suit. If this is done, there may not be the necessity for sanctioning the whole amount. I would therefore suggest to pay this amount in instalments. If this suggestion is accepted, much of the amount could be saved. Another thing that I wish to say is that if the Commissioners of the Board, instead of spending their time here and elsewhere, make it a point to visit all these places where suits are pending, it is quite possible they may be able to bring about a settlement. In such a case much of this expenditure would be unncessary."

* Mr. K. R. VENKATARAMA AYYAR :—" Mr. President, Sir, before the House makes up its mind one way or the other in respect of this motion, I think it is desirable that the present Minister takes opportunity to say something about the general policy with reference to the Hindu Religious Endowments Act and its amendment which has been long talked of but in respect of which nothing has so far been substantially done. Soon after the previous Council was elected, as early as about January 1927, attention was prominently drawn to the urgent necessity the public felt to amend the Religious Endowments Act and get rid of defects and flaws that had been discovered with reference to it. A comprehensive question was then put by me and the then Minister, Mr. A. Ranganatha Mudaliyar, at the time in charge of the portfolio gave an equally comprehensive answer. I refer to question 97 (*a*) put

on 27th January 1927 on the floor of the House and perhaps it is enough for my purpose now if I omit the question and draw the attention of the House only to the answer. The answer was ' The Government are aware that there is, in certain quarters, a feeling of dissatisfaction with some of the provisions of the New Hindu Religious Endowments Act. Various aspects of the problem connected with the administration of religious endowments have been emphasized during the many debates that have taken place on the floor of this House and elsewhere and many objections to the present Act have also been put forward which will all be carefully considered. Some of them relate to the jurisdiction of the court under this Act. . '."

* The hon. the PRESIDENT:—" The hon. Member will please remember that the motion before the House is that a loan be granted to the Religious Endowments Board."

* Mr. K. R. VENKATARAMA AYYAR:—" It is with reference to that motion that I am addressing this House. I think the matter that I was referring to had a direct bearing upon the merits of the motion and I was not so far away from it that my attention had to be called to it. I see that the demand is now made for a loan of as much as fifty thousand for one particular necessity that has arisen amongst various other necessities which the Religious Endowments Board has brought up. The question is whether this House should give its approval to a policy which this motion if allowed would involve, namely, the policy of spending on this Board and supporting it in all its operations. One of the great points that was attempted to be made at the time of the enactment of the Act was that litigation in courts with reference to Hindu religious endowments was not getting as quickly decided as it required to be and that litigation had also to be curtailed in volume. It was thought at that time that as a result of the enactment the volume of litigation would be reduced. The result, however, which is now placed before the House shows that the anticipation is far from being fulfilled. We are face to face now with the Hindu Religious Endowments Board itself figuring as an important litigant in numerous litigations pending before the courts of this province and for supplying the sinews for the defence and prosecution of one class of suits alone we are asked to grant as much as fifty thousand rupees.

3-30 p.m. " Therefore, it is important, before this House is enabled to vote one way or the other on this motion, that attention is called to the desirability or otherwise of at all continuing the present state of affairs, or at any rate between those on the Treasury Bench who are responsible for this portfolio and those on this side there must be an understanding reached as to how things are to be shaped either by way of amendment of the Act itself or by way of mending or ending this Religious Endowments Board, that huge litigant before the courts of the country. With this explanation, perhaps, the President will permit me to continue what I was reading from. It was then said:

' Some of them relate to the jurisdiction of courts under the Act with special reference to schemes of management, others to the limits of the doctrine of cypres and the range and extent of the possibility of the diversion of the funds of the endowments ; others are concerned with the necessity for and the functions assignable to the Board of Control.'

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"There was a huge cleavage of opinion in the country, after the passing of the Hindu Religious Endowments Act, as to how far it was wise at all to deprive the courts of the jurisdiction that they had for long exercised in respect of the administration of Hindu religious endowments and to vest that jurisdiction by way of transfer to this new body set up under this Act. It was not in the original Bill—at the time when the Bill was in the Select Committee stage this idea of a Board came up, and that idea was given effect to at the final consideration of the Bill. This Board has been functioning in such a manner that even as early as 1928 grave doubts arose as to the wisdom of setting up a Board in substitution for the courts of the country which had been exercising their functions in matters that came before them undoubtedly very much more satisfactorily than the Board has since been known to exercise its functions after the transfer of these functions to it. Therefore, we have now to see whether this House will not get some definite and considered statement from the Minister in charge as to how long this Board is going to be this borrower and how long the Board is going to be permitted to be a litigant before the courts, before we can accord sanction to the principle of standing by this Board and helping it with loans.

"My point is that the main expectation that was entertained that litigation would be on the decrease under the Act has not at all come right, and we have seriously been disappointed. Litigation with reference to Hindu religious endowments is very much on the increase, and the Board is the largest litigant. After all, even in respect of jurisdiction that has been conferred upon the Board according to the provisions of the Act, the Board is not able finally to do certain acts which it is permitted to do. Take, for instance, the well-known instance of the settlement of schemes. The Board is given the jurisdiction which the courts had before of settling schemes of administration and management for the various institutions. It has of late drafted and settled many a scheme. But according to the Act, the Board is not the final arbiter in these matters, because when the worshipping public is dissatisfied with the provisions of a scheme settled by the Board, the Board is no more than a party to a litigation which it is open to the dissatisfied worshipping public to start in a civil court, and in that litigation the scheme will be finally settled according as the view of the plaintiffs who have called in question the Board's scheme prevails or the view of the Board prevails. What I say is that this Board has been in other respects also functioning in such a manner as seriously to merit public disapproval. The main thing that it has been concerning itself with is the appointment of members of local committees and the increasing of the strength of those committees, with one palpable result which it would require enormous courage on the part of the Minister in charge to deny, namely, that the spirit of faction which before was not at all so much in evidence has come very largely in the forefront now in all the localities; so much so that the religious endowments and temples which at least were free from the spirit of faction are now subject to the full play of opposing factions in almost

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every locality. Besides, in the justice administered by the Religious Endowments Commissioners, there is not a hundredth part of the confidence that was usually felt by the public when the cases were before dealt with by the courts of the country. It is naturally so because whereas the judges of the established courts sit in open court and do not make any kind of difference between religious endowments cases and other cases that come before them, so far as these Commissioners are concerned, these are judges who more or less sit behind the purdah and act upon material which is very far removed in quality from the evidence which alone is allowed to reach the judges in cases coming before the courts. After that answer which I quoted was made in January 1927, a Religious Endowments Advisory Board was constituted of which I happened to be a member, and in July or August 1927 there was a meeting of that Advisory Board when we had the great advantage of the advice and opinion which the late Sir T. Sadasiva Ayyar who was the President of the Board was able to give, when questions were put to him. The business of that meeting was to find out in what respects the Hindu Religious Endowments Act was deficient and how improvements could be effected by suitable amendments. One important question which came up was this question which is referred to in the answer that I just now read, of the very necessity for the Religious Endowments Board as a substitute for the courts of the country. I put a question to him at that sitting with a view to finding out from him what was the nature in general or in the main of the functions discharged by the Religious Endowments Commissioners. He said without any hesitation that undoubtedly in his experience he found that the work of the Commissioners was at least as to five-sixth of it, if not more, judicial and only one-sixth part or less was administrative. I then asked, 'If then it is all judicial work, do you, Sir, with your judicial experience really prefer this purdah system of administration of justice by these itinerating Commissioners to the justice which we have had in our courts of law which are still open for these matters', he at once rushed without hesitation to make the answer, 'I would certainly transfer all these powers to sub-judges who belong to the regular judicial cadre.' I thought that that question and that answer were going to be worked in some way into the amendments which were then deemed to be very soon in prospect. Well, I know that some amendments were drafted. Probably Sir Sadasiva Ayyar gave the weight of his approval to a draft Bill which was then being brought into existence by the Government. I do not make that as a ground of complaint against the present Ministry as they have not yet had time to take it up. But the thing I am particular about is, seeing that it is very doubtful under all the circumstances, whether it will at all be wise on the part of this House to continue this institution of Religious Endowments Commissioners as a judicial body, and whether it would not altogether be the better course to transfer all the judicial jurisdiction of the Board back to the courts and to safeguard the other idea, namely, a quick despatch of this judicial work relating to these temples by constituting some of the sub-judges forming part of the regular judicial cadre as sub-judges to

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attend particularly to the religious endowments cases that come up from various areas before them. I say that before this House is committed to any line of policy it will only be proper for the Minister in charge of the portfolio to make a comprehensive statement as to when he intends to take up this question of the amendment of the Religious Endowments Act, whether he has already had the advantage of going into the file and satisfied himself as to how far the Bill already before the Government satisfies him and how far it would require further amendment so as to suit his particular view. In all these respects, I would insist upon some comprehensive statement, before the House commits itself to a policy of the continuation of the Board and of supporting this Board in all its operations with reference to the religious endowments. Perhaps if the Government does not find any objection to the course, it would be desirable to straightaway or as early as possible constitute a committee consisting of members from all sides interested in the Hindu religious endowments to take up this question of amendments of the Hindu Religious Endowments Act, particularly the question of continuing the Board as a judicial authority or of transferring the judicial powers of the Board to courts."

* Swami A. S. SAHAJANANDAM :—" கனம் தலைவரவர்களே ! இந்து மத தரும பரிபாலன போர்டு கமிஷனர்கள் சில தேவஸ்தான நிருவாகஸ்தர்கள் தொடுத்திருக்கும் கேஸ்களை நடத்துவதற்கு ரூ. 50,000 ம் கடன் கேட்டிருக்கிறார்கள். 1925—1927 மார்ச்சு வரை அரசாங்கத்தாரிடம் கடனாக ரூ. 3,02,500 வாங்கியுள்ளார்கள். 1928–1929 வரை ரூ. 24,000 அரசாங்கத்தாருக்கு போர்டார் திருப்பியுள்ளார்கள். முக்கியமாக போர்டும் ஜில்லா தேவஸ்தானக் கமிட்டிகளும் சரியானபடி வேலைசெய்யவில்லையென்றே சொல்லுவேன். சரியானபடி வேலை செய்திருந்தால் முன் சொல்லிய கடன் முழுமையும் தீர்ந்து கையிருப்பும் ஏற்பட்டிருக்கும். உதாரணமாக யானும் தென்னாற்காடு ஜில்லா தேவஸ்தானக் கமிட்டியில் ஒரு அங்கத்தினனாகக் கருணை நிறைந்த அரசாங்கத்தாரால் நியமனஞ் செய்யப்பட்டுள்ளேன். எனது நியமனம் வெளியானபிறகு எங்கள் ஜில்லாவில் சரியானபடி ஒரு மீட்டிங்குகூட நடைபெறவில்லை. எனக்குத் தெரிந்தவரையில் வருஷத்திற்கு நாலாயிரம், ஐயாயிரம், இரண்டாயிரம் வரை வருமானம் வரக்கூடிய கோயில்களை இன்னும் தேவஸ்தானக் கமிட்டியார் கண்டுபிடியாமல் கவலையின்றியவர்களாயிருக்கிறார்கள். தேவாலயங்களுக்கு வரும் பக்தர்களின் பணங்கள் அனாவசியமாகவும் மிகவும் இழிவான வழியிலேயும் தருமகர்த்தாக்கள் செலவழிக்கிறார்கள் அல்லது சாப்பிட்டுவிடுகிறார்கள். முக்கியமாக எவ்வளவு பணம் செலவழித்து தற்போது போர்டார்மீது கோயிலதிகாரிகள் கேஸ் தொடுத்துள்ளார்கள் என்பதைப் பார்த்தால் கோயில் பணம் அனாவசியமாகச் செலவழிதற்கு அதுவே போதுமான திருஷ்டாந்தமாகும். ஜில்லாக் கமிட்டிகள் சரியான முறையில் வேலை செய்யும்படி போர்டார் பார்த்துக்கொள்ளவேண்டும். தற்போது வரும்படி இல்லாமலிருக்கும் போர்டானது. சிலாது உத்தியோகத்திற்கு இடமாயிருக்கிறதேயொழிய சரியானபடி வேலை செய்யவில்லை. சரியாக வேலை செய்யும்படி கனம் முதன் மந்திரியவர்கள் பார்த்துக்கொள்ளவேண்டும். அரசாங்கத்தார் கொடுக்கும் பணமும், 3-45 p.m.

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கோயிலுக்கு வரும் வருமானமும் இந்து மதத்தை மேற்கொண்ட இந்துக்களால் வரும் வருமானமாகும். ஜில்லாக்களிலுள்ள தேவஸ்தானக் கமிட்டிகளில் எல்லா இந்துக்களையும் நியமிப்பதோடு ஆதிதிராவிட இந்துக்களையும் நியமனஞ் செய்யவேண்டும். முன்னிருந்த முதன் மந்திரி கனம் டாக்டர் சுப்பராயனவர்கள் மிகவும் தைரியமாக இரண்டு ஜில்லாக்களில் ஆதிதிராவிடர்களை நியமனஞ் செய்தார்கள். இனியும் தற்போதுள்ள முதன் மந்திரியவர்கள் தைரியமாக ஆதிதிராவிடர்களை நியமனஞ் செய்யவேண்டும். போர்டு கிரமமாக நடைபெறப் பார்த்துக்கொள்ள வேண்டும். கனம் அங்கத்தினர் A. B. செட்டியலர்கள் சொல்லியதைப் போல் போர்டையும் கமிட்டியையும் அரசாங்கத்தாரே எடுத்துக்கொள்வது நல்லது. ஒவ்வொரு கோவில்களிலும் விழாக்காலங்களில் ஒரு சிப்பந்தியை வைத்து பார்த்தால் கோயிலுக்கு நல்ல வருமானம் வருவதோடு தற்போது நடைபெறும் இழிவுகளும் நீங்கிப் புனித மேற்படும். அவ்வாறு பார்த்துக்கொள்ளாதவரையில் இந்த ஐம்பதினாயிரமும் கொடுக்கக்கூடாதென மறுக்கிறேன்."

* Mr. T. Narasa Reddi:—"Sir, the Hindu Religious Endowments Act was enacted with the best of intentions to bring into order some of the temples and maths. Before this Act came into force, almost all the temples and maths were mismanaged and the funds thereof utilized for purposes not intended by the donors. To avoid such things with the best of intentions the late Raja Sahib of Panagal brought this Act into existence. Now, Sir, when people found that the temples which they were managing would come under the provisions of this Act, they advised the donors and other charitable people to alienate the property of the temples and maths in favour of third persons and also gained thereby and by this means many of these institutions were kept out of the jurisdiction of the Act. Sir, to fight the evasions of the law a number of suits had to be filed in the courts and a number of suits had to be defended. For all this money is necessary. Sir, many of the temple boards are without funds as the institutions which ought to contribute a certain percentage of their income according to the Act are evading the payment. For the purpose of bringing them in the right direction this sum of Rs. 50,000 is necessary. I find that some hon. Members are of opinion that the Act itself should be amended in so many directions. I have no doubt that when that question comes up we will consider it. With these words, I support the motion for making this grant to the Government to enable the Board to defend suits to bring the temples and maths into better management."

* Sriman M. G. Patnaik Mahasayo:—"Mr. President, Sir, whether it is perfect or imperfect, the Act has given rise to so much litigation. Considering the history of this legislation I do not wonder that there has been so much of litigation. For the last more than half a century these religious institutions have been left in the hands of private persons and hence gross abuse and corruption have crept in in their administration. Formerly, under the Civil Procedure Code, a provision existed to bring to book trustees or managers of the various religious institutions who mismanaged or grossly abused their trusts. But few people

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took advantage of those provisions, because of the expenses to be incurred by private individuals, the trustees and temple servants considered themselves owners. Now, according to this Act, the Board of Hindu Religious Endowments has power to establish the right of the deities against their servants or former trustees. From this hon. Members can imagine the difficult nature of the work that lies before the Board. It is their duty to stop the corruption and abuse in these religious institutions which have gathered around them all these years. Therefore it is no wonder that there has been so much litigation. We all know that people would not give up the rights which they consider to be theirs. Seeing that there is mismanagement in these institutions it is but right that litigation should be there. One hon. Member said that if one suit is decided, as the suits are all similar, all the others can be similarly decided. Well, that will hold good only if in the others also the parties are the same; if the parties are different though the nature of the question at issue is the same, a decision in one case will not be binding on the other cases. That is an elementary principle of law. Therefore the decision in one case would not hold good in the other suits. So my submission is that though the Act, which is the first of its kind, is not perfect, so far as the present question, viz., whether any property is the property of a temple or a math or of private owners, is concerned, it is a thing which has got to be decided upon by a court of law. Only when this question is decided the applicability of the Act can be considered. For this reason, I think, the Board is right in defending or instituting suits."

* The hon. Diwan Bahadur B. MUNISWAMI NAYUDU :—" Sir, I must thank the hon. Members of the House who by their helpful suggestions have indicated the lines on which they would like the Act to be amended. So far as the main question is concerned, as the hon. Member from South Kanara pointed out, there is no doubt that this grant is proposed with the knowledge that in regard to the previous loans granted it has not been possible to recover. Sir, the Board has not had a peaceful career. For some time past there have been all sorts of difficulties thrown in its way. At first a number of people contended that the Act was *ultra vires*. They questioned the legality of the Act itself. Then there was the obstructive tactics adopted by a number of temples and in spite of it all within the last five years there has been a change and a change for the good both in the attitude of the public towards the Board and also in the attitude of the temples. In this connexion I will read one sentence from the latest review of the administration of the Board by the Government. 'Distrust and obstruction is gradually being replaced by steady support and co-operation of which there has been ample evidence during the year under review. Neither is there any fresh suit filed questioning the validity of the Act in the High Court during this period. Collection is also satisfactory.' So that we can now state as regards the working of the Act that there is a fair prospect before the Board in future years. So far as the present advance is concerned, it is required merely as a

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loan for the purpose of defending a number of suits, and, as I stated already, the loan of Rs. 24,000 taken in 1928–29 was actually repaid from collections made. It is expected, Sir, that the Board, with better facilities for collection and with its growing popularity, would be in a position to repay the loan which it is now taking.

"The hon. Member from Coimbatore suggested that such a large sum as Rs. 50,000 may not be necessary. He stated that he would have no objection if the whole of the amount is advanced in instalments as and when funds are necessary. I may state for his information as also for the information of the House that the first instalment of Rs. 10,000 only will now be paid and that the Board will apply for fresh instalments as and when necessary.

"So far as the other question as to whether the suits could not be facilitated by clubbing them together and getting a decision in one or two suits, I am to inform the House that the Board has already moved in that direction and that the High Court has agreed to all these suits being transferred to the District Judge, Guntur, so that these may be tried together. I hope that it is a move in the right direction and would satisfy hon. Members.

"The hon. Member from Madura has made a scathing criticism on the Bill itself. I know he is one of those who did not approve of the Bill in its first stage itself and therefore I am not surprised to find that he still retains that mentality though he is willing to come forward with suggestions to amend the Act. He stated that the late Sir T. Sadasiva Ayyar as President of the Board recommended certain changes in the Act. He was a member of the Religious Endowments Advisory Committee. I was also a member of that committee and I can assure him, Sir, that so far as the amendment of the Act is concerned, it will receive the earliest attention of the Government to see in what manner it can be amended so as to place the Board on a satisfactory footing not merely with regard to its activities, but also on the financial side thereof.

"The hon. Member from South Kanara suggested the idea of the provincialization of the Board. There was also a suggestion for facilitating the recovery of the contributions by applying the provisions of the Revenue Recovery Act by treating these arrears as if they were arrears of land revenue. These questions have been engaging the attention of the Government and will be taken up for decision as early as possible. In these circumstances, Sir, I think that while I feel thankful to these members who have been helpful with their suggestions, there has not been anything like a real objection to the grant proposed to be made. With the statement that I made that the amount would be paid by instalments and that it is hoped that the amount would be repaid as was done on the last occasion, I trust that the House would see its way to sanction the grant."

The demand was put and carried and the grant made.

XVII.—RESOLUTION ABOUT THE CENTRAL LAND MORTGAGE BANK.

* The hon. Mr. P. T. RAJAN:—" Sir, with your permission, I beg to move the following resolution standing in my name:—

'*That this Council recommends to Government that interest not exceeding 6 per cent per annum may be guaranteed from Provincial revenues on debentures to the extent of Rs. 50 lakhs to be issued by the Central Land Mortgage Bank during the first five years until they are paid off or redeemed by the bank.*'

" This resolution is an amendment to the one moved in October 1929 by the hon. Mr. Seturatnam Ayyar and adopted by this honourable House. The motion that was then approved by the House ran thus:—

'*That this Council recommends to the Government that interest not exceeding 6 per cent per annum may be guaranteed out of Provincial revenues for a period of 25 years on debentures to the extent of 50 lakhs to be issued by the proposed Central Land Mortgage Bank in the first five years.*'

" In this resolution it was proposed to guarantee interest only for a period of 25 years; but in the present motion which I have moved it is proposed that the interest should be guaranteed to the extent that the debentures can either be redeemed or paid in full.

" Mr. President, the President of the Central Land Mortgage Bank in March 1930 represented that the working of the bank will depend to a great extent on its ability to float debentures and that it would be a great advantage if a trust fund could be started to be invested in the 4 p.m.
debentures of the bank. It was stated that the debentures were very safe securities for the following reasons:—

Firstly, they were backed by the first mortgage of immovable property;

secondly, there was trustee for safeguarding the interest of debenture-holders; and

thirdly, the interest was guaranteed by the Government.

It was also mentioned that the intending investors asked whether the Imperial Bank could lend money on the security of debentures and that unless they were declared trustee securities the bank would not lend money on the debentures. It is also of importance that every effort should be made to attract to the bank large funds at the disposal of the Insurance companies and this will only be achieved if the debentures are recognized as trustee securities.

" The Madras Committee on Co-operation also recommended that debentures of the bank should be made trustee investments as in Bombay and the Royal Commission on Agriculture were also in favour of this proposal. The High Court was therefore addressed to frame rules to include debentures in the list of authorized securities, but they